

**LOUISIANA DELTA COMMUNITY  
COLLEGE FOUNDATION**

**Financial Statements  
For the Six Months Ended December 31, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date     **OCT 05 2011**

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION**

**Financial Statements  
For the Six Months Ended December 31, 2010**

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# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)  
Francis I. Huffman, CPA  
Philip A. Ragsdale, CPA  
David Ray Soignier, CPA, MBA

John Herman, CPA  
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## INDEPENDENT AUDITORS' REPORT

**Board Of Directors  
Louisiana Delta Community College Foundation  
Monroe, Louisiana**

We have audited the accompanying statement of financial position of the **Louisiana Delta Community College Foundation** (the Foundation) as of December 31, 2011 and the related statements of activities and cash flows for the six months then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2010 and the changes in its net assets and its cash flows for the six months then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Information listed in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Luffey, Huffman, Ragsdale, & Soignier*

(A Professional Accounting Corporation)

September 15, 2011

## Financial Statements

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
FOR THE SIX MONTHS ENDED**

	December 31, 2010		
	Unrestricted	Temporarily Restricted	Total
<b>ASSETS</b>			
Cash	\$ 87,545	\$ 163,136	\$ 250,681
Investment	-	57,978	57,978
Pledges receivable	5,470	4,816	10,286
Allowance for doubtful accounts	(968)	(799)	(1,767)
Prepaid insurance	655	-	655
<b>TOTAL ASSETS</b>	<b>\$ 92,702</b>	<b>\$ 225,131</b>	<b>\$ 317,833</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Total Liabilities	-	-	-
<b>Net Assets</b>			
Unrestricted	92,702	-	92,702
Temporarily restricted	-	225,131	225,131
Total Net Assets	92,702	225,131	317,833
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 92,702</b>	<b>\$ 225,131</b>	<b>\$ 317,833</b>

The accompanying notes are an integral part of this statement.

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE SIX MONTHS ENDED**

	December 31, 2010		
	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenues</b>			
Contributions	\$ 18,073	\$ 125,096	\$ 143,169
Contributions - Noncash	17,000	-	17,000
Net revenue from special event			
Special event revenue	18,000	-	18,000
Costs of direct benefits to donors	(11,042)	-	(11,042)
Interest income	44	1,094	1,138
	<u>42,075</u>	<u>126,190</u>	<u>168,265</u>
Net assets released from restrictions	<u>3,029</u>	<u>(3,029)</u>	<u>-</u>
<b>Total Support and Revenue</b>	<u>45,104</u>	<u>123,161</u>	<u>168,265</u>
<b>Expenses</b>			
Program Services			
Scholarships	9,548	-	9,548
Workforce development	803	-	803
College Building Ribbon Cutting	17,000	-	17,000
Total Program Services	<u>27,351</u>	<u>-</u>	<u>27,351</u>
Supporting Services			
Management and general	<u>7,172</u>	<u>-</u>	<u>7,172</u>
<b>Total Expenses</b>	<u>34,523</u>	<u>-</u>	<u>34,523</u>
<b>Increase (Decrease) in Net Assets</b>	<u>10,581</u>	<u>123,161</u>	<u>133,742</u>
Net Assets at Beginning of Period (as previously reported)	87,254	96,837	184,091
Net Assets at Beginning of Period (Restatement) (Note 7)	<u>(5,133)</u>	<u>5,133</u>	<u>-</u>
<b>Net Assets at Beginning of Period (restated)</b>	<u>82,121</u>	<u>101,970</u>	<u>184,091</u>
<b>NET ASSETS AT END OF PERIOD</b>	<u>\$ 92,702</u>	<u>\$ 225,131</u>	<u>\$ 317,833</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED**

	<u>December 31, 2010</u>
<b>Cash Flows From Operating Activities</b>	
Increase in Net Assets	\$ 133,742
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Pledges receivable	(10,286)
Allowance for bad debt	1,767
Prepaid insurance	985
Net cash provided (used) by operating activities	<u>126,208</u>
 <b>Cash Flows from Investing Activities</b>	
Interest received on investment	<u>3,475</u>
Net cash provided (used) by investing activities	<u>3,475</u>
 <b>Increase (decrease) in Cash</b>	 129,683
 <b>Cash at Beginning of Period</b>	 <u>120,998</u>
 <b>Cash at End of Period</b>	 \$ <u><u>250,681</u></u>

The accompanying notes are an integral part of this financial statement.

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
SIX MONTHS ENDED DECEMBER 31, 2010**

**Note 1 - Organization**

The Louisiana Delta Community College Foundation (the Foundation) is an autonomous fund-raising foundation that raises funds for the benefit of Louisiana Delta Community College (the College). Its purpose is to promote the educational and cultural welfare of the College. Its purpose, also, is to develop, expand and improve the College's facilities so as to provide broader educational advantages and opportunities, encourage educational advancement, and increase the College's usefulness to the citizens of Louisiana. Support is received through gifts, grants or bequests. Program services include scholarships and departmental support.

During the second half of the calendar year 2010, the Foundation changed its year end from June 30<sup>th</sup> to December 31<sup>st</sup>. Therefore these financial statements are prepared for the short period, as of and for the six months ended December 31, 2010 to accommodate this change.

**Note 2 – Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The financial statements have been prepared on the accrual basis and in conformity with Financial Accounting Standards Board (FASB) ASC Section 958.

**B. Financial Statement Classification**

The net assets of the Foundation are reported as follows:

1. Unrestricted – includes all resources to be used in support of the Foundation's operations at the sole discretion of the Foundation.
2. Temporarily Restricted – includes amounts that have been donated subject to donor-imposed restrictions and those promises to give for which there are time restrictions.

The Foundation has no permanently restricted net assets.

The Foundations' policy is to spend restricted funds first and then use unrestricted funds when the request coming through could be paid from either restricted or unrestricted funds. The Foundation records "temporarily restricted funds" as "unrestricted" in the annual financial statements when the restriction is satisfied in the same year that the donation is received.

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
SIX MONTHS ENDED DECEMBER 31, 2010**

***C. Cash and Cash Equivalents***

For purposes of the Statement of Cash Flows, the Foundation considers demand deposits, time deposits, and certificates of deposits of an original maturity of three months or less to be cash equivalents.

***D. Pledges Receivable***

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts by charging contribution support and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable.

***E. Contributions***

In accordance with ASC Section 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Contributions are recognized as support when received or when an unconditional promise to give is received.

***F. Functional Expenses***

Expenses that can be identified with a specific program or support service are allocated directly to that function according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

***G. Tax Exempt Status***

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for Federal income taxes. Contributions to the Foundation are tax deductible with limitations prescribed by the Code.

***H. Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED DECEMBER 31, 2010**

**Note 3 - Cash and Investment**

At December 31, 2010, the Foundation had \$308,658 on deposit at one financial institution, of which all but \$680 was insured by FDIC. The Foundation's investment is a five year certificate of deposit which matures on July 14, 2013. Interest is compounded monthly at 3.68%.

**Note 4 - Pledges Receivable**

The Foundation's pledges receivable account balance outstanding at December 31, 2010 was comprised of funds raised from the College's Employee Campaign. The balance of \$10,286 included \$4,816 restricted for the Chancellor's Excellence fund and scholarships. A contra-receivable allowance for doubtful accounts has a year-end balance of \$1,767.

**Note 5 - Temporarily Restricted Net Assets**

Temporarily restricted net assets were comprised of the following:

	<u>December 31,</u> <u>2010</u>
<b>Nursing</b>	
Kitty DeGree Scholarship	\$ 55,497
Kitty DeGree Endowed Professorship	60,000
<b>Workforce Development</b>	
Kitty DeGree Workforce Development	60,000
<b>General</b>	
Staci R Aucoin Memorial Scholarship	13,105
Entergy	7,922
Anthony Gatling Scholarship	600
Glenn B Roscoe Scholarship	5,316
General Scholarships	1,725
New Student	2,310
<b>Process Technology</b>	
Angus Chemical	1,403
JP Morgan P/T Scholarship	9,204
JP Morgan P/T Professor	2,000
Ouachita Economic Development Corporation	1,778
Euroboard	219
<b>Business</b>	
Carol B Coltharp Memorial Business Scholarship	174
<b>Chancellor's Excellence Fund</b>	<u>3,878</u>
Total	<u>\$ 225,131</u>

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
SIX MONTHS ENDED DECEMBER 31, 2010**

**Note 6 – Concentration of Contributors**

The Foundation received 74% of its contributions for the six months ended December 31, 2010 from one local contributor.

**Note 7 – Restatements**

The beginning net assets have been restated by \$5,133. This restatement was a transfer of funds from unrestricted to restricted net assets for donations by College employees for specific scholarships and the Chancellor's Excellence fund.

**Note 8 – Subsequent Events**

Subsequent events have been evaluated through September 15, 2011 and it has been determined that no significant events have occurred for disclosure. September 15, 2011 is the date that the financial statements are available to be issued.

## Supplementary Information

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

	Program Services					Supporting Services		Total Expenses
	Scholarships	Workforce Development	College		Total Program Services	Management and General		
			Building	Ribbon Cutting				
Bank Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190	\$ 190	190
Insurance	-	-	-	-	-	986	986	986
Legal & Professional	-	-	-	-	-	3,420	3,420	3,420
Marketing & Advertising	-	803	-	-	803	-	-	803
Meetings and Meals	-	-	-	-	-	203	203	203
Office Expense	-	-	-	-	-	77	77	77
Public Relations	-	-	-	-	-	2,296	2,296	2,296
Ribbon Cutting Activities	-	-	17,000	-	17,000	-	-	17,000
Scholarships	9,548	-	-	-	9,548	-	-	9,548
Total Functional Expenses	\$ 9,548	\$ 803	\$ 17,000	\$ 27,351	\$ 7,172	\$ 34,523		

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION**  
**SCHEDULE OF TEMPORARILY RESTRICTED FUNDS**  
**SIX MONTHS ENDED DECEMBER 31, 2010**

	Beginning Balance (as restated)		Support and Revenue		Expenses	Ending Balance		Pledges Receivables (net)	Ending Balance (Accrual Basis)
	6/30/10	12/31/10	Contributions	Interest		(Cash Basis) 12/31/10	(Accrual Basis) 12/31/10		
Angus Chemical	\$ 1,403	\$ -	\$ -	\$ -	\$ -	\$ 1,403	\$ -	\$ -	1,403
Anthony Gatling Scholarship	1,200	-	-	-	(600)	600	-	-	600
Carol B. Coltharp Memorial Business Scholarship	174	-	-	-	-	174	-	-	174
Chancellor's Excellence Fund	891	804	-	-	-	1,695	2,183	-	3,878
Entergy	7,922	-	-	-	-	7,922	-	-	7,922
Euroboard	219	-	-	-	-	219	-	-	219
General Scholarships	-	243	-	-	-	243	1,482	-	1,725
Glenn B. Roscoe Scholarship	5,316	-	-	-	-	5,316	-	-	5,316
JP Morgan P/T Professor	2,000	-	-	-	-	2,000	-	-	2,000
JP Morgan P/T Scholarship	10,419	-	-	-	(1,215)	9,204	-	-	9,204
Kitty DeGree Endowed Professorship	-	60,000	-	-	-	60,000	-	-	60,000
Kitty DeGree Scholarship	55,617	-	-	1,094	(1,214)	55,497	-	-	55,497
Kitty DeGree Workforce Development	-	60,000	-	-	-	60,000	-	-	60,000
New Student	2,310	-	-	-	-	2,310	-	-	2,310
Ouachita Economic Development Corporation	1,778	-	-	-	-	1,778	-	-	1,778
Staci R. Aucoin Memorial Scholarship	12,721	32	-	-	-	12,753	352	-	13,105
<b>TOTAL</b>	<b>\$ 101,970</b>	<b>\$ 121,079</b>	<b>\$ 1,094</b>	<b>\$ (3,029)</b>	<b>\$ 221,114</b>	<b>\$ 4,017</b>	<b>\$ 225,131</b>		

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

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CERTIFIED PUBLIC ACCOUNTANTS

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Lori Woodard, MBA, CPA

## MANAGEMENT LETTER

**Board of Directors  
Louisiana Delta Community College Foundation  
Monroe, Louisiana**

In planning and performing our audit of the financial statements of **Louisiana Delta Community College Foundation** (the Foundation) as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency in the Foundation's internal control to be a material weakness:

### **Pledges and Pledges Receivable**

#### ***Material Weakness:***

The College held two pledge drives with their staff on behalf of the Foundation, one for 2009/2010 and the other 2010/2011. The Foundation initially recorded the revenue when the money was received rather than when the promises were made. Generally Accepted Accounting Principles require promises to give be recorded when pledges are received and classified as to restriction if imposed by the donor. As a result, an additional \$8,519 had to be included in revenue as Contributions Receivable for the six months ending December 31, 2010.

**Louisiana Delta Community College Foundation  
Management Letter  
Page 2 of 3**

Some of the donor-imposed restricted pledges were not booked according to the donor-imposed restriction, however, the Foundation counted all pledges from the drives as temporarily restricted until the Foundation paid these funds out for the intended purpose. The Foundations' policy is to spend restricted funds first and then use unrestricted funds when the request coming through could be paid from either restricted or unrestricted funds. The Foundation records "temporarily restricted funds" as "unrestricted" in the annual financial statements when the restriction is satisfied in the same year that the donation is received. Virtually all of the funds collected from the pledge drives were spent on scholarships in the same year received. However, upon further analysis of the donor-imposed restrictions, it was impractical to assume that all of the restrictions were satisfied by the scholarships provided. When this was brought to the attention of management, the Foundation reclassified from unrestricted to temporarily restricted \$5,133 of the donor-imposed restrictions that were in question as of June 30, 2010.

*Recommendations:*

Since the College bills the Foundation for scholarships awarded, we recommend the Foundation work with the College in coming up with an agreement to clarify when the temporarily restricted funds will be used and when unrestricted funds will be used. We also recommend that pledges be recorded when the promises to give are received and categorized appropriately as to donor imposed restrictions. The pledges receivable should be offset by an allowance for doubtful accounts based upon historical collection.

**Other Comments:**

During our audit we became aware of a matter that is an opportunity for strengthening internal control in relation to cash in bank. The following summarizes our comment and suggestions regarding this matter.

**Bank Reconciliations**

*Comment:*

The cash in bank on the general ledger was overstated by \$437.45 from the bank balance. This was due to a check for \$381.45 written December 4, 2010 not being recorded on the general ledger until January 2011. In addition, bank charges in the amount of \$77.00 and interest earned on the checking account for \$21.00 were not recorded.

*Recommendation:*

We recommend the bank account be reconciled monthly and as soon as practical after the bank statements are received with the resulting required entries being recorded in the month that they apply to.

We wish to thank the volunteers of the Foundation and the staff of the College for their support and assistance during the audit.

**Louisiana Delta Community College Foundation**  
**Management Letter**  
**Page 3 of 3**

This letter is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*Shuffery, Huffman, Rogstad, & Squire*

(A Professional Accounting Corporation)

September 15, 2011

# FOUNDATION

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION

09/19/11

## Management Plan of Corrective Action

In response to the Material Weakness noted in the Management Letter, the Foundation has formed the following Plan of Corrective Action.

The Foundation, along with the college, will create a clear policy for the timing of use of temporarily restricted funds of unrestricted funds. Furthermore, for current and future fundraising campaigns, the Foundation will implement measures to properly segregate temporarily restricted funds from unrestricted funds by communicating with the donor at the time of the pledge. All pledges received by the foundation will be recorded and categorized appropriately when pledged and offset by an allowance for doubtful pledges receivable.

The Foundation, along with the college, will reconcile the operating accounts on a monthly basis to ensure bank balances are reflected accurately in the financial statements. As the month in question was during the transition of the accounting function, we feel the issue has been properly addressed and corrected.

  
Micheal Gilbert  
Treasurer